March '25

PKF

pulse

A bi-yearly publication by PKF

Building confidence, knowledge, and resilience

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Bob Bell
Managing Director
PKF Sydney and Newcastle

MD welcome

We are now well into 2025 and it's been an exciting and dynamic start to the year for us.

From major office transformations to impactful partnerships and inspiring events, we are building momentum for what promises to be another outstanding year.

Our Newcastle office refurbishment is well underway, focusing on creating an innovative, collaborative space for our team and clients. We can't wait to welcome you into our revitalised office soon. In the meantime, you can read more about our renovation on page 27.

January also saw the 2025 PKF Australia Business Advisory Conference held in Newcastle, bringing together professionals from across the network to connect and gain practical insights for the year ahead. With engaging speakers, hands-on workshops and a strong emphasis on culture and well-being, the event reinforced our commitment to continuous learning and growth. To read a first-hand account of the event visit page 25.

We're also thrilled to celebrate three years as the official financial services partner of the nib Newcastle Knights. Supporting local sports and our broader community remains a core focus for PKF, and we're proud to continue this partnership into another season. The season launch announcement can be found on page 17.

At the heart of everything we do is our people, and we remain committed to fostering an environment where talent is nurtured, achievements are recognised and collaboration drives success. With exciting projects, industry-leading events and meaningful partnerships on the horizon, 2025 is shaping up to be a year of progress and opportunity.

I invite you to explore the latest updates and insights in this edition of Pulse, and as always, our team is here to support you.

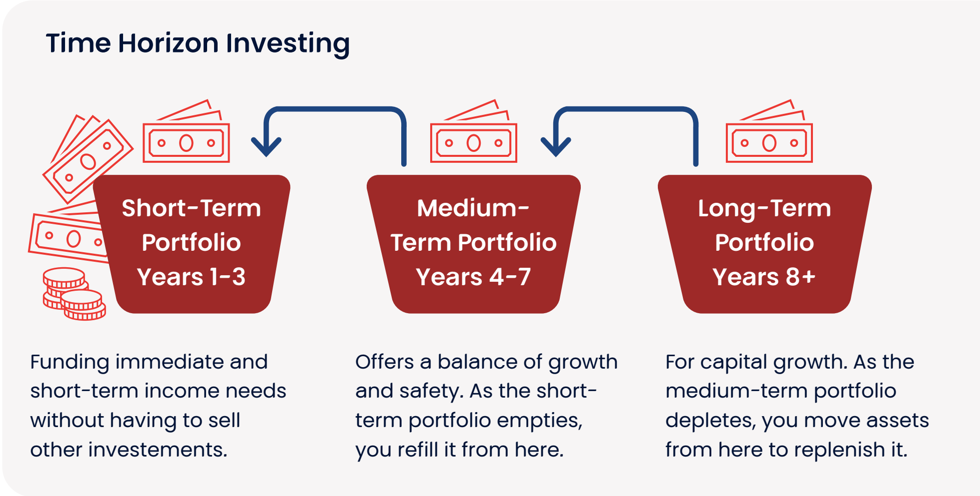
Matthew Weeks
Financial Adviser
PKF Wealth

"Time Horizon Investment strategy mitigates sequencing risk by aligning short, medium, and long-term portfolios to ensure steady cash flow in retirement."

Sequencing risk and how to combat it

The question advisers are most often asked is "will I have enough money to retire comfortably?". While the answer to this question depends on a number of different factors, a key element that determines the outcome can come down to market conditions at the time of retirement.

Unfavourable market conditions just before or at the beginning of someone's retirement phase of their life can significantly impact the longevity of retirement savings. The issue being investors have a limited time to recover and no income to replace the lost savings. This is called sequencing risk and in short, a poor sequence of returns leads to poor outcomes.



In order to mitigate the effects of sequencing risk, we can employ a Time Horizon Investment (THI) strategy. This strategy aims to build a client portfolio that considers future spending needs and wants over a particular time frame. Typically, the needs are calculated for the short, medium and long term, and then we determine the asset allocation using several portfolios that are most appropriate to fund cashflow requirements.

Fundamentally, the THI strategy has three portfolios, or 'buckets' of wealth - short term, medium term, and long term.

Short term: The short-term bucket is to fund the next three years of cash needs. This bucket will be allocated to low-volatility, low-risk investments such as cash and fixed interest bonds.

Medium term: The medium-term bucket is used to fund cashflow needs for the next following four to seven years. This bucket has exposure to growth assets (international and domestic equities, property, infrastructure) and defensive assets (cash and fixed interest).

Long term: The long-term bucket is used primarily to drive returns for the overall portfolio and uses these returns to top up the short and medium-term buckets as funds are being withdrawn to enjoy retirement.

Regular reviews are crucial for the ongoing success of the strategy to ensure each bucket remains appropriately weighted.

Where market returns have been generally positive, the medium, and long-term buckets will cash in on some of the gains and top up the short-term bucket and restore the allocations at the strategy inception. Where markets have been generally negative, rebalancing of portfolios is deferred, and the client can rest easy knowing their cashflow needs for the next three years are funded allowing markets have an opportunity to recover.

Naturally, this is not a 'one size fits all' strategy. However, it is very effective at mitigating the sequencing risk for those it is suitable. Having a strong understanding of cashflow needs in the short and medium-term is instrumental to the success of the strategy for clients and advisers alike.

David Hutchison
Partner
Audit & Assurance

"The transition to the new Aged Care Act marks a fundamental shift – ensuring better quality care, greater transparency, and stronger accountability for aged care providers across Australia."

Transition to the New Aged Care Act

The New Aged Care Act in Australia takes effect from 1 July 2025 and represents a significant step in the reform of aged care services. The transition represents a fundamental shift in how the aged care system operates, aiming to provide better quality care, greater transparency, and more accountability.

Background:

In response to the findings of the Royal Commission into Aged Care Quality and Safety, the Australian government has introduced reforms intended to reshape the aged care sector.

The reforms focus on improving:

- Care quality and safety.
- Financial transparency and accountability.
- Governance and regulatory oversight.

The new Act aims to establish a more responsive, transparent, and efficient system. The shift is also designed to make the aged care sector more consumer-focused, ensuring that services are aligned with the needs and preferences of older Australians.

Key aspects of the transition:

1. New standards and regulatory framework

One of the most significant changes under the new Aged Care Act is the introduction of updated Aged Care Quality Standards. These standards focus on the safety, dignity, and rights of older Australians, providing clearer guidelines for providers on how to deliver high-quality care.
The Aged Care Quality and Safety Commission (ACQSC) plays a central role in overseeing the implementation of these standards.

2. Financial and governance Changes

Financial accountability is a cornerstone of the reform process. The government is introducing more stringent requirements for aged care providers to report on how funding is being used.

These changes will include:

- Stronger financial reporting requirements: Providers will be required to submit detailed financial statements, showing how funds are being allocated to care and operational needs.
- Auditing and compliance: There will be an increased role for external audits and compliance checks to ensure that aged care providers are following proper governance practices.
- Incentives for efficiency: Aged care providers who can demonstrate financial responsibility and efficient use of resources may be eligible for additional funding or grants to improve care services.

3. Person-centred care

One of the key features of the transition is the shift toward a tailored person-centred care model, which emphasizes treating each resident as an individual with unique preferences and care needs.

4. Workforce reform and development

Aged care workers are central to the success of the reform process. Aged care workers have the most contact with people receiving care. Their behaviour must always help the people they provide care for feel safe and supported. Paged care providers must support, equip, and prepare aged care workers to comply with the Code.

5. Improved protection and complaints mechanisms

The new Aged Care Act also emphasises stronger protections for aged care residents, ensuring they have avenues to voice concerns and seek redress when they are dissatisfied with the care they receive.

6. Digital transformation and data use

The aged care sector is embracing digital tools and data to improve service delivery and outcomes for residents.
As part of the transition to the new Aged Care Act, providers will be encouraged to adopt digital care management systems and data-driven approaches.

Challenges in the transition

While the reforms represent a much-needed overhaul of the aged care system, the transition to the new Aged Care Act is not without challenges:

- **Funding and resource allocation**: The cost of implementing the new standards and regulations may be significant, especially for smaller providers. Stringent financial monitoring to adequate funding and support is critical to avoid disruptions to care services.
- **Workforce training and retention**: The transition requires the support of a skilled and experienced workforce. The aged care sector has struggled with workforce shortages. Developing effective training programs and addressing workforce capacity issues will be vital for long term success.
- **Adaptation to new systems**: Providers will need to adapt to new reporting systems, care models, and governance frameworks, which could pose challenges, particularly for smaller or less technologically advanced facilities.

The transition to the new Aged Care Act in Australia is a complex and transformative process.

It involves significant changes across the sector, from financial reporting and governance, to care quality standards and workforce development.

Your local PKF team can assist navigating this transition with careful planning, collaboration, and a focus on your individual circumstances to ensure that you emerge stronger and more resilient.

Senray Loy
Principal
Business Recovery and Insolvency

"Another successful Small Business Restructure (SBR) – maintaining our 100% strike rate in securing creditor approval and helping businesses overcome financial challenges."

Another business saved in small business restructure

In recent times there has been an uptick in the number of enquiries relating to Small Business Restructure ("SBR") appointments. This is likely due to business owners being more aware of the SBR process as well as the high rate of success for restructuring proposals.

We are proud to say that all SBR appointments undertaken by us have been approved by creditors. These appointments range from various industries, such as hospitality, wholesale, construction, manufacturing, and childcare services.

The most recent success story is the restructure of a company that operates in the construction industry. The company had accumulated taxation debts in excess $900,000 that needed to be resolved, or the business would have to face the likely prospect of 'shutting shop'. In short, the business needed to secure a reprieve from accumulated debts so that it could rebuild a brighter future.

After assessing the financial position, we identified the company was eligible for SBR and our assessment showed that there was a viable business that could be saved.

To qualify for SBR, the company needed to bring its superannuation entitlements up to date which involved seeking external finance.

The restructure involved many complications, but it was not impossible. Some of the issues dealt with were:

- Legal proceedings commenced by a creditor prior to the SBR. This raised the issue of contingent claims against the Company.
- A number of parties had lodged security interests against the Company. We were able to determine that the security would not be unaffected by the restructure.
- The risk of secured assets being repossessed.
- Completing overdue workers compensation and tax lodgements prior to the SBR proposal being issued to creditors.

A Win-Win for Creditors and the company

The company proposed a plan offering a greater, more certain and timely return to creditors than would be received in a hypothetical liquidation or voluntary administration scenario. The proposal put forward to creditors would allow for a distribution of approximately 20 cents in the dollar. The contributions will be paid within three (3) months, which will result in creditors receiving a distribution within four (4) months.

Fifteen (15) business days after creditors were informed of the plan, the plan was approved by creditors which included approval from the largest creditor, the Australian Taxation Office ("ATO").

The outcome meant that the Company was able to compromise the participating debts by 80%, saving more than $700,000 and thus allowing it to continue trading.

Recapitalising director loan accounts

A further issue that had to be considered as part of the SBR was the director's loan account.
In this instance the director had been financially supporting the business and had become for some time a significant creditor. The director had two options, being to either write off the debt or covert the debt to equity.

The latter option was preferable in this instance given the following benefits:

- It alleviated the financial strain on the company's balance sheet.
- It improved the company's cash flow.
- It increased the overall financial stability.
- It enabled the director to retain shares in lieu of a debt that would otherwise be written off.

Key Takeaways

- SBR's are a good option for financially stressed businesses to consider as the process has garnered support from creditors, including the ATO.
- The SBR process is often a more affordable and quicker restructuring option compared to a Voluntary Administration.
- Recapitalising the loan account from debt-to-equity alleviated pressure on the company's balance sheet and cashflow.
- We can assist businesses in all types of industries.
- The team at PKF can help guide owners and advisors in complex matters.

If you're facing financial difficulties and/or mounting tax debts, don't wait until it's too late. Acting earlier leads to better outcomes.

Contact us today and let's discuss a way forward.

Alex Honner
Principal
Governance, Risk and Compliance

Take 5 with Alex Honner

Q. Do you have a career highlight so far?

Definitely my secondment to PKF Littlejohn in London in 2024.
I worked with their Technology Change and Innovation team for the year, and gained invaluable experience building different dashboards, automated flows and apps to meet the firm's needs. Overall it was an incredible experience and I'm so grateful for the opportunity.

Q. What is a small thing that makes your day better?

Caramel cappuccino from Capp

Q. Where's the next place on your travel bucket list?

Just booked flights to New York in June!

Q. If you could only eat one meal for the rest of your life, what would it be?

Honey roasted pork belly pad see ew from Spice Market in Double Bay.

Q. What career advice would you give to your younger self?

You can't control everything. Sometimes you just need to relax and have faith that everything will work out.

Joel Floyd
Principal
Corporate Finance

“Deciding to sell your business is a significant milestone in your entrepreneurial journey, and the New Year is the perfect time to reflect on whether it’s the right moment to take that step.”

New year resolution – is now the right time to sell your business?

For many, the new year symbolises a fresh start and new opportunities. For business owners, it can also be a time to reflect on whether it might be the right moment to sell their business.

Deciding to sell your business is a significant milestone in your entrepreneurial journey. Whether your goal is retirement, pursuing new ventures, or capitalising on years of hard work, selling requires thoughtful planning and a clear understanding of your options. This article explores four common avenues for selling a business: trade sales, management buyouts, family succession, and private equity. Each path offers unique benefits and challenges, helping you make an informed choice.

1. Trade sale:

A trade sale involves selling your business to another company within the same or a related industry. This approach is common among small and medium-sized enterprises (SMEs) seeking an exit strategy or opportunities for consolidation. Selling to a strategic buyer can bring numerous advantages, such as:

- Access to complementary resources.
- Synergies between businesses.
- Opportunities for market expansion.

2. Management buyout (MBO):

A management buyout occurs when the current management team or a group of managers purchases the business from its owner(s). This option is often ideal for owners who want to:

- Ensure continuity and maintain the company’s culture.
- Reward loyal employees by giving them ownership.
- Transition gradually out of the business, such as for retirement.

MBOs require strong leadership within the management team and access to financing to support the purchase.

3. Family succession:

Passing your business on to family members can be a meaningful way to preserve your legacy. Family succession allows:

- Continuity within the family.
- Control over the company’s future direction.

However, this option demands careful preparation, including:

- Early & continuous planning.
- Leadership development for family members.
- Fair distribution of assets among family members.

Transparent communication is key to avoiding potential conflicts and ensuring a smooth transition.

4. Private equity investment:

Private equity (PE) firms offer capital in exchange for equity ownership. Selling a stake in your business to a PE firm can provide, apart from a full realisation of the business’s value:

- Growth capital to expand the business.
- Strategic guidance and operational expertise.

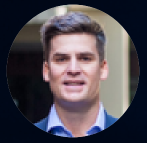
PE firms typically aim to enhance the company’s performance and achieve a profitable exit within a set timeframe. This option is well-suited for owners seeking to scale their business before an eventual sale or exit.

Conclusion:

Determining the right time to sell your business starts with exploring your options and aligning them with your goals and values. Whether you choose a trade sale, management buyout, family succession, or private equity investment, each option has distinct advantages and considerations.

Engaging financial, legal and strategic advisors is essential to help you navigate this complex , and to ensure your decisions maximise value while securing a successful transition.

If you’re pondering whether now is the right time to sell, I’d love to discuss your plans.



Andrew Brett
Director
Infosure

"Cyber Insurance provides critical financial support and expert resources to help businesses navigate the complexities of a cyber incident, making it an essential safeguard in today's increasingly digital world."

Cyber insurance – what is it, and why would I need it?

There are a lot of misconceptions when it comes to Cyber Insurance, which makes it an extremely confusing and seemingly complicated area of insurance to navigate.

We often hear that Cyber Insurance its far too expensive or that clients still need to handle incident response themselves. We have even heard the myth that policies never actually pay out because an overly complicated form was incorrectly filled out by a support provider. All things factually incorrect meaning Cyber Insurance has had a rough go over the past decade.

There are of course, good policies and bad policies and very few experts in Cyber Risk to help clients understand their options, but while cyber incidents are on the rise, the cyber problem is not going anywhere, and neither is Cyber Insurance.

Every other week we hear of another business survey coming out that rates cyber incidents as the #1 concern for the survey's respondents.

Yet despite this concern, less than 20% of Australian businesses invest in a Cyber Insurance policy.

To a lot of business owners, it can often feel like their traditional Insurance Brokers don't have the unique knowledge or experience to answer the Cyber Insurance questions being asked. And that may very well be the case. We also deal with many cyber professionals who believe budgets for technology security should be spent on technology and not on the insurance. But should investment in security be at the expense of holding insurance to protect one of the most important assets a business has in the modern age?

If your building was to suffer a significant natural disaster, most organisations can be up and running within days. Online applications and mobile computing mean the loss of an office may not always mean a business grinds to a halt.

But if someone were to lock you out of your data, your email, accounting system or simply steal all your client data how long could that affect the business? It can cripple an organisation and be an ongoing headache for years.

Cyber Insurance is a specialist insurance coverage, which requires a specialist skill set. Unlike general insurance policies provided by general insurance brokers (property, public liability, motor vehicles etc), Cyber Insurance requires a specifiic understanding Cyber Insurance of cyber security and cyber risk.

So, what is Cyber Insurance?

Cyber Insurance, in a nutshell, gives you access to all the professional services you will need to respond to a cyber incident and the financial backing to pay for them.

To some, the former is the most important part of a cyber policy.

To have the best chance to successfully respond to a cyber incident, you will need a vast array of professional services.

In the beginning, you may need a cyber response team to mitigate an active threat followed by a Digital Forensics team to scope out your cyber incident, or Ethical Hackers to contain the environment. But when the dust settles on the initial attack, there are some other less obvious skillsets that need to get involved. From legal assistance to advise you on your next steps, to a specialised Public Relations team to communicate with clients and media, cyber incidents require many helping hands and they all cost money.

An alarming trend we see from the 80% of businesses that don't have Cyber Insurance, is that they either ignore their obligations, or worse, they run out of money trying to adhere to them as the result of an incident.

Cyber incidents can cost businesses anywhere from thousands to millions. The possibilities are endless and so is the threat of actors looking to take advantage of the unprepared.

Cyber Insurance does not prevent a cyber incident, just like car insurance does not prevent you having a car accident. However, just like the latter, Cyber Insurance does provide crucial financial support in what will be an extremely stressful experience.

Businesses across Australia take out property, liability, vehicle and all other types of insurance that protect them from the threats present in their personal and business lives. But it's now a digital world, and the ever-growing landscape of data and connectivity brings risks most have never encountered before.

These risks, for the 80% of businesses that don't have Cyber Insurance, are a significant threat.

If this article has raised questions or concerns for you, you can get in touch with Infosure for further conversation.

Stacie Shaw
Partner
Business Advisory Services

"Chasing signatures is one of those insidious 'ugh' tasks often not considered, taking way more time than it should. With Annature, that frustration disappears—saving time and transforming the way businesses operate."

Frustrated by inefficiency? How PKF's process review team solves problems with Annature

At PKF Sydney and Newcastle, we love a game-changer. And efficiency. And things that just work.

Our Process Review Team works with business owners and executives that are:

- Frustrated with the way they and their team are working
- Exhausted by their lack of spare time
- Stuck with inefficiencies they don't have the time / resources to fix
- Restricted by the information they are not getting
- Missing out on realising the highest level of profitability
- Looking to reduce the reliance of the business on key individuals, that creates major key person risk
- Concerned with the documentation that's not in place
- Concerned by the consistency and quality that has to be fought for the hard way, rather than coming easily

All of which can make the business less valuable, or unsellable.

Our Process Review engagements start by asking our clients what makes them go "ugh". This clearly reveals improvement areas and forms the action list we work from:

- Sometimes as simple as practical documentation and operation manuals.
- Sometimes a radical system change.
- More often middle-of-the-road process updates.
- A bunch of quick-win 1%-ers.

Achieving these changes for businesses is why we come to work.

We value the opportunity to promote our clients' success stories, internally and externally, and we are proud to share the Australia-born success story that is Annature.

We at PKF Sydney and Newcastle use (and love!) Annature for our eSigning, and actively recommend it to clients across any industry.

When we moved from old-school paper signing to eSigning long ago, it changed the way we work. When we partnered with Annature, it escalated our work and efficiency to another level.

Determined to fill a gap in the eSigning market, CEO and Founder Corey deals in nothing but good faith and counter-balances the 'traps' businesses can find themselves caught up in.

Annature is reasonably priced as pay-as-you-go; there is no leap of faith, no mandatory lock-in contracts, seat counts, minimum terms or maximum usage limits.

If you're 'trapped' in another eSigning provider's contract – Annature is FREE to use until that contract ends; including helping you extract historical documentation from other platforms.

The change management is as minimal as it gets – at PKF, we have no need to extensively train new starters on Annature – unlike the learning curve of most software, Annature is so intuitively built that it's obvious which are the right buttons to click.

Another bonus is that the Annature team love building new integrations with other industry software platforms – another potential game-changer to the efficiencies your company may be able to achieve.

A quick win in PKF Process Review and Business Advisory engagements is to ask whether you're using eSigning.

Chasing signatures is one of those insidious "ugh" tasks often not considered, taking way more time than it should.

If you're signing the 'old way' – whether physically printing documents to mail, take to meetings, or chase people around the office with; or emailing attachments, which no doubt require chasing to get actioned, to be printed and signed, and scanned and emailed back – "ugh".

With the manual chasing of these documents and then manually uploading, renaming, then refiling, we estimate up to 20 minutes of time-saving per document.

We find the only reason businesses aren't already using Annature is they don't know about it yet.

In most organisations, Tech won't save you – it's the blend of the right processes, people, and to automate, streamline and eliminate as much needless admin as possible.

For us, Annature is the tech that blends perfectly with our processes and people.

If you're interested, in Annature and the many other ways we help business owners and executives get rid of their "ugh" moments – please get in touch.

Chad Russell
Partner
Business Advisory Services

"Ready to transition from the 'middle phase' to the 'exit phase'? Regain energy and shape your business on your terms - scale back or boost dividends. The choice is yours!"

New year – Groundhog Day, or is this the year to achieve what you want?

Let's start with some questions – if you answer "Yes" five times, save yourself a couple of minutes because this article isn't for you!

Does your business give you enough income to fund the lifestyle you want?

Do you have the right people in the right roles?

Do you have a clear action plan to grow your business?

Do you have enough time in the day for all the important things?

Do you still want to be in business?

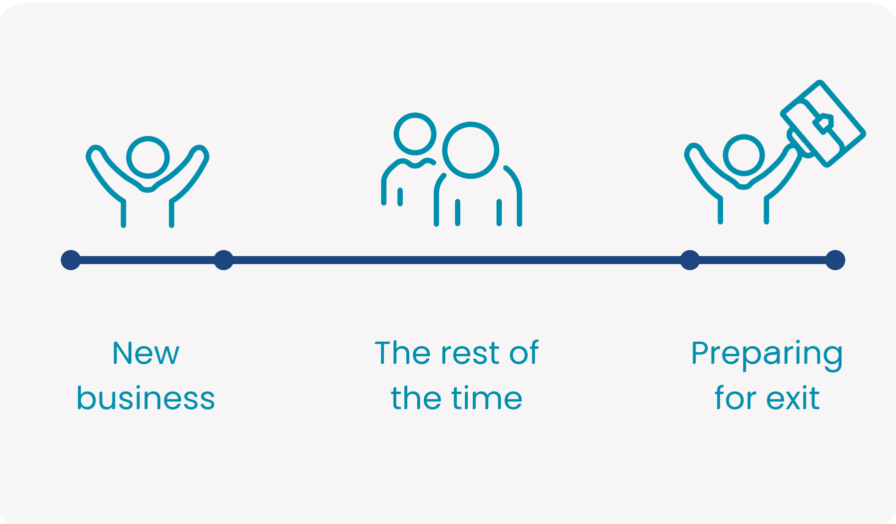
Typical timeline of a business

Most business owners that get through the first few years started out with no money, big ideas, and plenty of energy. Growth was rapid (and exciting), processes were designed, and teams were built. There still wasn't any spare cash, but things were fun and every day was both challenging and rewarding.

I see the same kind of ideas and energy show up in the period immediately before a business sale. That period where we are dressing up the business. We fix up profitability, deal with key person issues, finish off the procedures manual, and put effort into tidying up loose ends. There is energy again, we get quick wins and all of a sudden the business looks amazing and then the question comes…. Why am I selling?

The business has never been more profitable and I spend less time in the business than ever before. Why would I sell, when I could just continue picking up the dividends?

The problem is that these two periods outlined above are typically 20-30 years apart. What about all those years in the middle? We can get in a routine of just showing up each day and doing the same things we did yesterday. We can feel stuck, unhappy, bitter, and unmotivated. All the while it feels like hard work and the reward for all that is that the business goes sideways year after year. We often need to be really unhappy before we'll actually do something about it, so we get to that point and then decide the only answer is that we have to sell. Then we look at it differently again because we want to maximise sale value. What if instead we'd chosen to address it sooner?



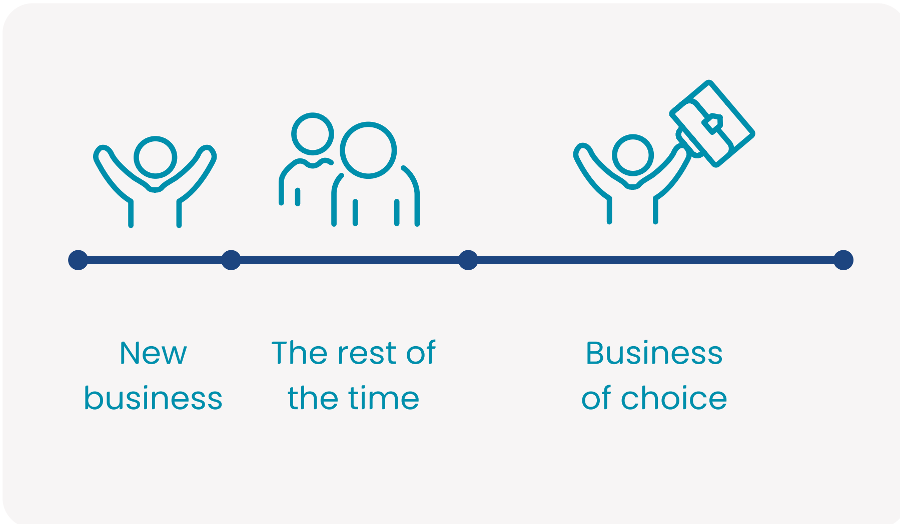
My challenge to you is to get out of the middle phase and move into the exit phase. I don't mean that you should go and sell tomorrow; what I mean is, why not run the business as though you might be selling? Bring back the energy, challenge the way things get done. Make it look the best it's ever looked - and then reassess.

Can you scale back your hours and spend more time with your family, or travelling? Can you increase dividends and improve your family's lifestyle or investment portfolio? You might even get it to the point where you could choose to be an investor who chooses to work when and how they want, rather than the key employee who can't afford to take holidays…

You get to choose what you do next. You can choose to stay stuck in the middle phase or you can bring forward success, own your business of choice and enjoy the rewards instead of building it up right before exit for the benefit of the next owner.

If you want change and would like some help, our business advisory team helps business owners with this every day. We can take you through goals to strategy to implementation and ultimately a successful exit on your terms.

If that sounds good to you, get in contact with us today.



Richard Cai
Partner
Business Advisory Services

"Outsourced CFO services provide expert financial guidance at a fraction of the cost, helping you grow your business with strategic planning and optimised cash flow"

Outsourced and virtual CFO services - empowering your business with strategic financial expertise

In today's dynamic business environment, staying ahead requires more than just keeping your books in order. It demands strategic financial leadership to navigate challenges, seize opportunities, and drive growth. For many businesses, especially fast-growing start-ups, and small and medium-sized enterprises (SMEs), hiring a full-time Chief Financial Officer (CFO) may not be feasible. This is where outsourced and virtual CFO services come into play — a game-changing solution that brings high-level financial expertise to your business without the cost of an in-house executive.

What are outsourced and virtual CFO services?

Outsourced CFO services provide access to experienced financial professionals who can handle strategic financial management tasks, such as budgeting, cash flow analysis, financial forecasting, and performance reporting.

Think of it as having a CFO on demand — someone who can step in to provide the strategic guidance you need, when you need it, without the overhead costs of a full-time executive.

How can your business benefit from outsourced CFO services?

1. **Access to expertise without the excessive cost**

Hiring a full-time CFO can be expensive, especially for SMEs. Outsourced CFO services give you access to top-tier financial expertise at a fraction of the cost, allowing you to focus your resources on growing your business. You will have access to expertise from a full team consisting of Partners, Managers, and Senior Accountants.

2. **Strategic financial planning**

A CFO does more than just crunch numbers — they help you plan for the future. Whether it's creating a budget, forecasting cash flow, or developing a growth strategy, an outsourced CFO can provide the insights you need to make informed decisions.

3. **Improved cash flow management**

Cash flow is the lifeblood of any business, especially important for fast growing start-ups. An outsourced CFO can help you monitor and optimize your cash flow by building a cash flow model, ensuring you have the resources to meet your obligations and invest in growth opportunities.

4. **Data-driven decision-making**

With advanced financial reporting and analytics expertise, an outsourced CFO can provide actionable insights to guide your business decisions. From identifying cost-saving opportunities to evaluating new investments, these insights can help you stay ahead of the competition.

5. **Scalability and flexibility**

Whether you need ongoing support with a specific project or more routine needs, outsourced CFO services can be tailored to meet your needs — CFO services can be dynamically scaled up or down. This flexibility makes it an ideal solution for businesses at any stage of growth.

6. **Peace of mind**

Knowing that your financial strategy is in the hands of an experienced professional can give you the confidence to focus on what you do best — running your business.

Key services provided by outsourced CFOs

- **Financial Planning and Analysis:** Developing budgets, forecasts, and financial models to guide your business strategy.
- **Cash Flow Management:** Monitoring and optimizing cash flow to ensure financial stability.
- **Strategic Advisory:** Assisting with business growth strategies, mergers and acquisitions, and capital raising efforts.
- **Performance Reporting:** Providing customised management reports and dashboards to track your business's financial performance.
- **Risk Management:** Identifying and mitigating financial risks to protect your business.
- **Compliance and Governance:** Ensuring your business adheres to regulatory requirements and establishing corporate governance best practices.

Take the next steps

Ready to take your business to the next level? Contact your local PKF Business Advisory team to learn more about our outsourced and virtual CFO services. Let us help you unlock your business's full potential with strategic financial leadership tailored to your needs.

The aged care sector is embracing digital tools and data to improve service delivery and outcomes for residents.

Clayton Hickey
Partner
Audit & Assurance

"Celebrating three years as the official financial services partner of the nib Newcastle Knights, PKF is proud to continue supporting local sports and community growth through this enduring partnership."

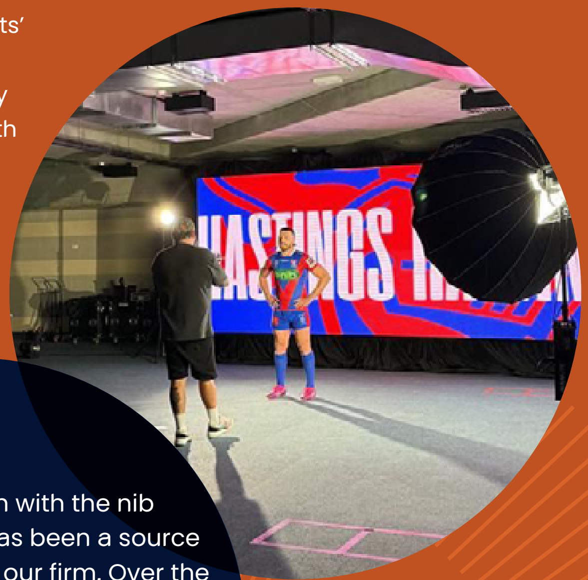
PKF Sydney and Newcastle celebrates third year as official financial services partner of the nib Newcastle Knights

PKF Sydney and Newcastle is proud to announce the continuation of its partnership with the nib Newcastle Knights into a third consecutive year.

This enduring collaboration underscores PKF's unwavering commitment to supporting local sports and the broader Newcastle and Hunter communities.

Since the partnership's inception, PKF has played a pivotal role in the Knights' journey, contributing to the team's remarkable achievements both on and off the field. The past two seasons have witnessed significant milestones, including the Knights' triumphant return to the finals and a strengthened community engagement that resonates with fans and residents alike.

Bob Bell, Managing Director of PKF Sydney and Newcastle, expressed his enthusiasm for the ongoing partnership:



"Our collaboration with the nib Newcastle Knights has been a source of immense pride for our firm. Over the past two years, we've witnessed the team's resilience and dedication, which mirror our own values at PKF. We are excited to continue this journey together, fostering growth and success within our community.

Looking ahead, PKF and the nib Newcastle Knights are committed to building upon their shared successes. Plans are underway to introduce innovative community programs aimed at promoting youth engagement in sports, enhancing local business collaborations, and supporting charitable initiatives that address pressing needs within the region.

Philip Gardner, CEO of the nib Newcastle Knights and Wests Group Australia, commented on the partnership's extension: "PKF has been an integral part of our success over the past two seasons. Their unwavering support and shared vision for community development have strengthened our club's foundation. We look forward to achieving new heights together in the coming year."

As the 2025 NRL season launches for the nib Newcastle Knights, PKF remains steadfast in its support, eagerly anticipating the opportunities that lie ahead. This partnership not only highlights PKF's dedication to excellence in financial services but also its deep-rooted commitment to the vitality and prosperity of the Newcastle and Hunter regions.

For more information about PKF Sydney and Newcastle's services and community initiatives, please visit www.pkf.com.au.

Andrew Chen
Partner
Business Advisory Services

"With PKF's guidance, Antony Lighten successfully transformed his vision into a reality, securing the funding and strategic support needed to build a cutting-edge fertility clinic."

From vision to reality: PKF's business advisory service helping to build a cutting-edge fertility clinic

Dr. Antony Lighten, a renowned fertility specialist, spent years working in the corporate IVF world. Driven by a desire to provide personalised, patient-centred care, he set out on an ambitious journey to build his own fertility clinic and day surgery centre in Sydney's Northwest.

Transitioning from a sole trader to the founder of a specialised IVF clinic came with significant challenges, including navigating complex funding options and adapting to the demands of operating a medical facility. Fortunately, Antony found a reliable partner in Andrew Chen, one of our Business Advisory Partners at PKF.

PKF stepped in to guide Antony through each critical phase of his entrepreneurial journey, providing strategic advice and actionable solutions that turned his vision into a reality.

Overcoming obstacles: Funding, structure, and COVID-19

When Antony began his clinic project, funding quickly became a significant hurdle. After exhausting initial resources, he faced the reality of limited cashflow due to shutdowns during COVID-19. Government support did not fully cover his expenses, stalling the project and leaving him searching for a way forward.

This is where PKF's expertise made a difference. Andrew Chen assessed Anthony's business structure and collaborated with him on a more strategic approach to funding and business management. By restructuring the business and implementing a comprehensive financial plan, we enabled Anthony to explore additional funding options and engage effectively with investors.

With PKF's guidance, Antony successfully secured financing set the stage for the next pivotal phase of Antony's journey.

"The result has been a profound transformation in my business approach. I now feel equipped with the resources, structure, and ongoing support I need for the fertility clinic. PKF's support was, and still is the difference between ordinary and exceptional.

How our partnership made a difference

With a fresh business structure in place and a renewed funding strategy, Antony's clinic development could proceed, this time with a clearer roadmap and dedicated support. Antony describes Andrew Chen as a 'sounding board', whose strategic advice helped him regroup and find solutions during challenging times.

"Andrew's role extended beyond financial guidance; he was instrumental in bridging communication gaps with investors and banks, making complex terms and requirements easier for me to understand and manage.

Words of wisdom for aspiring entrepreneurs

Antony says that his partnership with PKF reinforced his commitment to finding solutions and adapting his business in ways he hadn't initially imagined.

Antony's experience with our business advisory team highlights the importance of strategic support and adaptability in overcoming business challenges.

Reflecting on his journey, Antony believes there are two essential factors that kept him moving forward.

"Persistence and adaptability are key. You may not get where you want to go the way you first envisioned, but with the right guidance and a willingness to pivot, you can achieve your goals.

A lasting partnership and future growth

As Antony's clinic grows, his relationship with PKF continues to thrive. With Andrew Chen and the PKF Business Advisory team by his side, he is looking forward to a future of growth, including the potential for additional locations and expanded services.
For PKF, this ongoing relationship underscores the firm's dedication to supporting clients as they navigate the complexities of business ownership, particularly in the healthcare sector.

"As Antony continues to grow his business, we're proud to stand by him and provide the strategic guidance he needs. Our mission at PKF is to empower healthcare entrepreneurs with the tools and advice necessary to achieve sustainable growth and navigate the unique challenges of the industry," Andrew said.

"For entrepreneurs in the healthcare field looking to scale or secure funding, PKF's tailored business advisory services provide the insight and support needed to turn ambitious visions into successful ventures," Antony concluded.

Learn how our strategic business advisory services can help you secure funding and scale your operations. Contact us today to get started.

Steve Meyn
Chairman
PKF Australia

"At PKF, we believe in investing in our people, and the graduates of Thrive and Lead and Dare to Aspire are a testament to the power of growth, leadership, and opportunity within our firm."

Congratulations to our graduates of Thrive and Lead and Dare to Aspire!

At PKF Sydney and Newcastle, the growth and development of our people are at the heart of everything we do. We are proud to celebrate the recent graduates of our two flagship internal training programs, **Thrive and Lead** and **Dare to Aspire**, which have prepared a group of talented professionals for the next stages of their careers.

The Thrive and Lead program, designed for employees aspiring to progress towards partnership, saw its 2024 cohort graduate in October last year. Over the 12-month journey, participants engaged in rigorous training, one-on-one mentoring, and strategic leadership projects. This program equips participants with the skills and knowledge required to navigate the complexities of leadership at PKF while reinforcing our firm's commitment to fostering future partners who embody our core values.

Similarly, the Dare to Aspire program, completed in February 2025, supported individuals ready to step into managerial roles. Over 12 months, participants honed their capabilities in people management, operational oversight, and decision-making. This program emphasizes the importance of leadership at every level, empowering participants to embrace responsibility with confidence and skill.

Graduates from both programs have already begun implementing their learnings, taking on increased responsibilities, and delivering innovative solutions for our clients. Their commitment to personal and professional growth has set a high benchmark for future participants and underscores PKF's dedication to cultivating talent from within.

Steve Meyn, Chairman of PKF Australia, shared his pride in the graduates:

"Watching our teams grow through Thrive and Lead and Dare to Aspire has been incredibly rewarding. These programs reflect our belief in investing in our people and creating opportunities for them to excel. We're excited to see how these graduates will shape the future of PKF.

As we celebrate these achievements, the anticipation for the next round of both programs is building. New participants are eagerly awaiting the opportunity to embark on their 12-month journeys in Thrive and Lead and Dare to Aspire.

With updated modules, enhanced mentorship opportunities, and a renewed focus on collaboration, the 2025-2026 programs promise to be even more impactful.

PKF Sydney and Newcastle remain committed to empowering our people to achieve their fullest potential.

Congratulations to the graduates of Thrive and Lead and Dare to Aspire! Your success reflects the strength of our firm and our shared vision for a brighter future.

Luke Kelly
Financial Adviser
PKF Wealth

Madina Radinovich
Partner
Business Advisory Services

"Aligning your business and personal wealth plans ensures seamless progress towards your goals, maximising opportunities and reducing stress along the way."

Business success and personal wealth
The impact of alignment

For small business owners, the demands of running a business often leave little time to focus on the bigger picture. However, one critical area that should not be overlooked is ensuring your business and personal wealth plans are aligned.

As an accountant and financial planner working collaboratively, we've seen how a strategic, coordinated approach to planning can maximise the impact business owners achieve both in their personal and professional goals.

Why alignment matters

A business is often the engine driving personal wealth. Without proper alignment, however, business and personal goals can drift apart. For example, a business owner may dream of early retirement or funding a child's education but lack a roadmap connecting the business outcomes to the achievement of these goals.

By treating your business as part of your overall financial picture, rather than separate from it, you can maximise opportunities and reduce unnecessary stress when the personal milestones arise.

Setting goals and tracking progress

It all starts with defining clear, measurable goals. For personal wealth, this might mean saving for a home or retiring by a specific age. For the business, it could mean increasing revenue or preparing for a sale. Once goals are set, you can work backwards to create actionable plans.

Tracking progress is equally important. Regular reviews ensure you stay on course and can adapt to changes as needed.

The role of cash flow and budgeting

Cash flow is the lifeblood of both your business and personal finances. Tracking income and expenses for both helps you maintain clarity and control, especially where the lines between business and personal finances blur.

Beyond tracking, understanding budget variances—where you're overspending or underspending—is critical. Addressing these issues helps you redirect resources towards meaningful goals. On the personal side, this might mean freeing up funds for savings, while in the business, it could mean reinvesting for growth.

The value of proactive tax planning

Proactive tax strategies are key to retaining more of your earnings. Working with a tax adviser helps you identify deductions, credits, and industry-specific tax incentives. These strategies can reduce liabilities, free up resources for other priorities, and ensure your finances are structured efficiently for both the business and personal sides.

Bringing it all together

Achieving alignment between personal and business financial goals is an ongoing process. Investing in professional advice—through an accountant, financial planner, legal professional, or business consultant—ensures you have a team to help navigate complexities, adapt to changes, and focus on long-term success.

If these insights resonate with you, or you'd like to explore tailored strategies for your unique situation, we'd love to chat!

PKF Sydney and Newcastle have the experienced and tailored approach you need from Business, Finance, and Tax to achieve your personal and professional goals. If your financial future matters to you, contact us today.

Angela Lenehan
Manager
Business Advisory Services

"Newcastle set the stage for a conference that blended learning, collaboration, and connection – delivering insights that will tangibly influence our Real Life."

Reflecting on the incredible 2025 PKF Australia Business Advisory Conference in Newcastle

Over three days, from February 5 - 7, Newcastle welcomed PKF professionals and industry leaders from across the nation to engage, collaborate, and be inspired. This year's theme, "In Real Life" encapsulated the practical and tangible nature of the event. The focus to step away from our serious and important jobs and find those moments of joy and fun whilst engaging in useful and valuable learnings.

The conference kicked off on Wednesday afternoon with committee meetings for BAS and Tax, followed by welcome canapes and drinks at the historic Fort Scratchley.

This setting not only highlighted Newcastle's rich heritage but also allowed attendees to build connections in a relaxed environment overlooking Newcastle's beaches.

Day 2: Learning, empowerment, and community connection

The conference formally commenced Thursday morning at the Newcastle Town Hall with David Jamieson opening the day with a warm welcome, followed by Stacie Shaw's introduction of this year's innovative and collaborative agenda.

The day began with the dynamic Skildare session, which offered pragmatic insights into team management, legislative updates, and psychosocial considerations in 2025.

It was a session designed to empower middle managers—arguably the linchpins of any organisation—and provide practical knowledge that could be immediately applied in our professional lives.

The next session was out of the box for an Accounting conference, presented by Declan Edwards, a Happiness coach & consultant who had full engagement from everyone in the room. Declan presented on why cultivating a positive workplace culture isn't just a legal obligation but also a strategic advantage for recruitment and retention in a competitive market. The happiness that oozed from the conference following Declans session was apparent with emphasis on actionable takeaways resonating strongly with attendees, further amplifying the conference's focus on practical learning.

The afternoon activities brought a refreshing change of pace. Attendees participated in a self-defence seminar led by Empower, fostering both personal confidence and team bonding. An ice-cream truck and a beach visit for touch footy and a stroll and swim underscored the importance of balance, well-being, and community—a core part of our culture at PKF.

Networking continued into the evening with an enjoyable dinner on the water at the Honeysuckle Hotel, where connections grew between offices across Australia and New Zealand, and ideas flowed over great food and drinks.

Day 3: Insights and looking ahead

The final day of the conference began with keynote speaker Mark Hughes, whose powerful story and mission inspired us to think about the broader impact of our work. The day continued with insights from sponsors like EFTsure and Chad Dunn of Westpac, providing valuable economic and technological updates relevant to our industry.

The team from Cecuri, showed us the importance of preserving and protecting our organisations with the ever-increasing reliance of digitised information. Showing us what we can do as a firm to keep our security standards at the highest whilst also understanding how we can protect our clients through health assessments and risk audits – an incredibly invaluable session.

A highlight of the day was the engaging client panel on succession planning, which provided a dual perspective from both clients and PKF professionals. This was followed by a deep dive into PKF Australia initiatives, including discussions on digital innovation and ESG strategies led by Lana, Don McLean, and Jim Allenby.

The conference wrapped up with afternoon tea and goodbyes, leaving attendees energised and equipped with practical tools and ideas to implement in their roles.

Gratitude and looking ahead

Newcastle proved to be the perfect backdrop for a conference that emphasised learning, collaboration, and connection. It's evident the learnings delivered that will tangibly influence our Real Life, thanks to the thought that went into making the conference engaging, insightful with a sprinkle of fun throughout.

Andrew Beattie
Partner
Business Advisory Services

"This exciting office refurbishment at PKF Sydney and Newcastle is not just about upgrading our space – it's about creating a collaborative, inspiring environment that enhances both our team's productivity and our clients' experiences."

PKF Sydney and Newcastle announces exciting office refurbishment

PKF Sydney and Newcastle is thrilled to announce the refurbishment of our Newcastle office. This significant project represents our ongoing commitment to creating an inspiring and collaborative workplace for our team, while enhancing the experience for our valued clients.

To bring our vision to life, we have partnered with Skelcon, a Newcastle-based construction company renowned for its innovative design and construction solutions. Specialising in commercial fitouts and refurbishments, Skelcon brings extensive experience to this project, ensuring it meets the highest standards of quality, functionality, and aesthetics.

The refurbishment aims to revitalise our Newcastle office, integrating modern design elements with functionality to support our team and clients better. The upgraded space will include state-of-the-art meeting rooms, open-plan work areas, and improved collaboration spaces to reflect the evolving needs of our dynamic workplace.

Speaking about the project, Andrew Beattie, Partner at PKF Sydney and Newcastle, said:

"This refurbishment is more than just a facelift for our office. It's about creating a space that embodies our values and supports the well-being and productivity of our people.

Skelcon has been an exceptional partner in this journey, and their professionalism and dedication have exceeded our expectations."

Skelcon, a trusted name in construction, has been instrumental in delivering projects that redefine the standards of commercial fitouts. Their team is committed to providing seamless project management and high-quality outcomes tailored to the needs of each client.

Joel Skelton, Managing Director at Skelcon, expressed his enthusiasm for the partnership:

"We are proud to collaborate with PKF Sydney and Newcastle on this refurbishment. It's always exciting to work with an organisation that values innovation and excellence as much as we do. This project is a testament to what can be achieved when great teams come together."

For more information about Skelcon and their exceptional work, visit their website at https://skelcon.com.au.

We look forward to welcoming our clients and partners to our new and improved Newcastle office soon, where great ideas and collaboration can continue to thrive. Stay tuned for more updates as the project progresses!

Craig Gregory
Partner
PKF Integrity

"PKF's forensic data analytics helped a global not-for-profit uncover bullying and harassment hotspots, enabling targeted investigations and corrective actions to protect staff and brand reputation."

Forensic data analytics for a global not-for-profit organisation

Instances of fraud or workplace misconduct can have very serious organisational and reputational consequences for unsuspecting businesses. It's at these times when expert assistance is required for a swift, reliable, and comprehensive response.

This was the experience of a global not-for-profit organisation, which was facing serious allegations of systemic bullying and sexual harassment within its ranks. The organisation needed to address thee complaints effectively. They required a sophisticated approach to uncover the extent of the issues and identify specific areas where these problems were most prevalent.

The solution

1. Predictive modelling data analytics

The expert team at PKF deployed a predictive modelling data analytics exercise, utilising both qualitative and quantitative data. This comprehensive approach was designed to reveal critical intelligence necessary for the investigation.

2. Data integration

The model integrated various data sources, including employee surveys, incident reports, HR records, and other relevant qualitative and quantitative data, to provide a holistic view of the organisational climate.

3. Hotspot identification

Through advanced analytics, the model identified hotspots with integrity-related issues. These hotspots were areas within the organisation where bullying and harassment complaints were most frequent and severe.

4. Targeted investigations

The insights gained from the predictive model guided further targeted investigations. This allowed the organisation to focus its resources on the most problematic areas, ensuring a more efficient and effective response.

The outcome

PKF's forensic data analytics services enabled the global not-for-profit organisation to:

- **Uncover critical intelligence:** The predictive model provided valuable insights into the systemic issues of bullying and harassment.
- **Identify problem areas:** Hotspots with integrity-related issues were clearly identified, allowing for targeted interventions.
- **Guide investigations:** The organisation was able to conduct more focused and effective investigations, addressing the most severe issues first.
- **Implement corrective actions:** Based on the findings, the organisation implemented corrective actions to improve the workplace environment and prevent future occurrences.
- **Protect staff:** The organisation demonstrated its commitment to staff wellbeing (in line with its compliance requirements of many countries including Australia). This in turn contributed to rising levels of staff morale.
- **Protect brand:** The organisation was able to address the issues and significantly reduce the risk of reputational damage into the future.

We're here to help

Take action to prevent or minimise the impact of workplace fraud or misconduct. Contact us today.

Andrew Pullon
Director
PKF Digital

"AI is transforming accounting systems! From simplifying tasks like bank reconciliation to generating insights for better decision-making, tools like Xero's AI and JAX are enhancing efficiency. The future is here!"

AI in accounting systems

My first introduction to Xero using AI was back in 2014 when I saw a suggestion on how I should code bank fees in a client's Xero file. It was a simple pre-fill of "404 – Bank fees" as the Account and "ANZ" in the Who fields. This was a neat feature as the system was learning to suggest coding for us based on what we've coded before rather than relying on us to create bank rules only for automation. This was the dawn of Xero's AI implementation in their product.

Fast forward 10 years and now, not only does Xero have AI to suggest coding on your bank reconciliation, it also has the capability to make suggestions when you are creating invoices as well as utilising OCR (optical character recognition) on bills you email directly to Bills or Pay or Hubdoc in order to minimise your data entry. More impressively, Xero now also utilises Generative AI (Gen AI) in their help portal where if you ask a question "how do I... do something" it will generate a response with clear instructions on a possible solution to your problem.

Looking at this generated answer, the structure is no different to how we would respond to a client's question via email.

The next step on Xero's AI journey is using Gen AI to perform tasks for the end user with a tool called JAX (Just Ask Xero).

For advisors, you can use JAX to track down unreconciled items, long overdue debts and other anomalous items in the client's Xero File. For the business owner, they can utilise JAX to create a quote or invoice to a client whilst they are on the go rather than waiting until they are to create a quote or invoice to a client whilst they are on the go rather than waiting until they are back at the office. At present, using Text Messages, Whatsapp Messages and emails can be utilised to start the conversation with JAX to create the Quote or Invoice.

AI Generated answer

Recording an Overpayment

To record an overpayment in Xero, follow these steps based on the provided information:

1. **Overpayment in the Same Currency as the Bill or Invoice:**
    - Go to the Business menu and select Bills to pay or Invoices.
    - Find and open the overpaid bill or invoice.
    - Enter the total amount paid or received under Make a payment or Receive a payment and click Add Payment.
    - Provide a description for the overpayment

Show more

Generated content may contain errors. Verify important information.

In the addon space, AI has also started to make an impact around the interpretation of information and the generation of insights based on the financial information taken from the accounting systems. If we take Syft, a reporting platform, for example, they have embedded their AI tool to generate commentary based on the financial results for a specified period.

For example, here is a piece of generated commentary on the monthly Profit or Loss for the year:

Analysis of J's Cupcake Company Monthly Profit and Loss

Key Observations:

1. Sales Fluctuations:

    There are significant fluctuations in sales figures throughout the year, particularly in the "230 Sales" line.

    For instance, January experienced a negative sales adjustment driven by credit notes, like the receivable credit notes recorded on Jan 10 and 14.

    A notable surge is seen in February with transactions such as the $125,075 invoice on Feb 01 contributing to the spike.

With tools like JAX and AI insights making its way into the accounting field, it gives us faster access to meaningful data that we can use to better understand and inform our clients to assist with their decision making. Of course, given that the Generative AI discussed above are both in "Betas," some level of data validation would need to be done to ensure what has been generated is also what is true. However, what would have taken several hours to collate and analyse can now be done within minutes, potentially removing a cost barrier that may have existed for clients before.

AI is here to stay and to be on top of the competition we need to be ahead of the game by understanding its capabilities and being proactive business advisors. I encourage you all to invest some time learning a little bit about what's available to us right now then use that knowledge to empower your advisory and services to your clients.

Daniel Clements
Partner
Superannuation

"With increased scrutiny on SMSF property valuations, trustees must ensure valuations are based on objective, supportable data and meet updated guidelines to avoid audit complications."

Increased ATO and auditor focus on SMSF property valuations

The ATO and SMSF auditors are cracking down on the valuation of SMSF assets. Specifically, valuing of properties has become a real focus and the frequency in which these assets need to be valued has increased significantly. In the past, an SMSF Trustee could generally provide a property valuation every three years but this is no longer the case.

At PKF Sydney and Newcastle our preferred SMSF audit provider is Evolv Super Audits and they have provided the below new guidelines for property valuations. It is important to note that these guidelines are not only for properties held directly by an SMSF but also for properties that are held in trusts and companies where an SMSF owns units/shares:

- **Commercial property** – Valuation needs to be within 18 months of the end of the financial year. 'Within' means both pre and post the valuation date so it is possible for a commercial valuation to support multiple financial years.
- **Residential property** – Valuation needs to be within six months of the end of the financial year.
- All valuations need to be based on objective and supportable data. This can include a range of sources to substantiate the market value but at a minimum the value should be based on **at least two recent sales of similar properties.**

For year-end valuation purposes the valuation does not need to be completed by a registered valuer. The valuation can be prepared by anyone as long as it is based on objective and supportable data.

Rental appraisals also need to be considered by SMSF Trustees. A rental appraisal is required when the tenant is a related party to ensure that rent is being received at market rates. Obtaining a rental appraisal at the same time as obtaining a property valuation can save Trustees time and money. A rental appraisal is not required when the tenant is an unrelated party, however, it's best practice to have one on file. A rental appraisal should be reflected in any lease agreements that are in place. If they are not, then the lease should be adjusted to be in line with the appraisal at the next available date.

It is important to note that it's not the auditor's job to undertake a valuation. Rather, it is the trustee's responsibility to provide their auditor with the documents that are requested to support the market valuation of SMSF assets, including real property. The auditor should seek evidence that shows how the asset was valued, including the method used and the data on which the valuation was based. Where the evidence is not sufficient and appropriate to enable the auditor to form an opinion the asset was valued at market value, the auditor must modify their audit report and consider whether an auditor contravention report (ACR) should be lodged.

Nicholas Falzon
Partner
Business Advisory Services

"Whether you're moving to New Zealand, Australia, or back again, knowing how to transfer your retirement savings can make the transition smoother – and set you up for a more secure financial future"

Navigating superannuation and KiwiSaver transfers between New Zealand and Australia:

Your guide to the Trans-Tasman retirement savings portability scheme

Thinking about making a permanent move between New Zealand and Australia in 2025? Whether you're relocating for work, family, or lifestyle reasons, there's one important thing you'll need to consider: your retirement savings. The good news is that the Trans-Tasman Retirement Savings Portability Scheme makes it possible to transfer your superannuation fund or KiwiSaver between the two countries.

But before you start packing your bags or planning your retirement, let's break down how the scheme works and what you need to know.

What is the Trans-Tasman retirement savings portability scheme?

This scheme allows individuals to transfer their retirement savings from Australian superannuation funds to KiwiSaver accounts (or vice versa) when moving between New Zealand and Australia.

It's a handy way to keep your retirement savings together, but there are some important details to understand before making the move.

First: Participation in the scheme is voluntary for individuals, superannuation funds, and KiwiSaver providers. That means not every provider will office this option. Make sure to confirm with your super or KiwiSaver provider whether they participate in the scheme. Only APRA-regulated super funds and NZ KiwiSaver providers can facilitate transfers, and not all super funds accept KiwiSaver transfers.

Transferring from Australia to New Zealand: What you need to know

If you're moving to New Zealand, here's what you need to know about transferring your Australian super savings:

Eligibility

- You must be under 65 years old (the current eligibility age for New Zealand superannuation).
- You'll need to provide evidence of permanent emigration to New Zealand.

What can you transfer?

- Your entire balance from an APRA-regulated super fund can be moved.
- You may also be able to transfer unclaimed super money held by the Australian Tax Office (ATO).
- Self-managed super funds (SMSFs) and certain other interests are excluded from the transfer process.

Where to transfer?

- Transfers can be made to any participating KiwiSaver scheme.

Contribution caps

- There are no contribution limits in New Zealand, so you can transfer your full balance without worrying about caps.

Tax implications

- Transfers from Australian super funds to KiwiSaver schemes are tax-free.
- Once you're eligible to access your KiwiSaver savings, withdrawals are not taxed.

However, it's wise to speak with an advisor to ensure there are no other tax considerations in New Zealand.

Accessing your funds

- The transferred Australian component of your savings becomes accessible when you reach age 60 (if you've retired). The KiwiSaver portion can be accessed once you hit New Zealand's retirement age (currently 65).
- Important: You can't use your Australian super savings for a first-home purchase in New Zealand, nor can you transfer your savings to a third country if you relocate again.

Moving back to australia?

- If you return to Australia, you'll need to find a super fund that accepts KiwiSaver transfers. You'll also need to demonstrate which part of your savings falls under the non-concessional contributions cap and the taxable and tax-free components of your balance. Failing to do this could result in excess contributions tax or additional tax liabilities.

Transferring from New Zealand to Australia: What you need to know

If you're heading the other way and planning to settle in Australia, here's how you can transfer your KiwiSaver savings:

Eligibility

- You must be under 75 years old.
- Provide proof of permanent emigration to Australia.

What Can You transfer?

- You can transfer your entire KiwiSaver balance.

Where to transfer?

- Transfers can be made to any APRA-regulated Australian super fund that accepts KiwiSaver transfers. However, self-managed super funds (SMSFs) are excluded from accepting transfers.

Contribution caps

- Your KiwiSaver savings will be treated as non-concessional contributions in Australia, which are subject to the non-concessional contributions cap.
- Exceeding the cap could result in excess contributions tax, requiring you to release an amount or pay additional tax.

Tax implications

- Transfers from KiwiSaver schemes to Australian super funds are tax-free.
- Once you reach retirement and meet the necessary conditions, withdrawals are also untaxed.

Accessing your funds

- Your transferred KiwiSaver savings will be divided into two parts: the Australian component (accessible from age 60) and the New Zealand component (accessible once you reach New Zealand's retirement age of 65).
- You cannot transfer your savings to a third country if you move again, nor can you transfer them to an SMSF.

Moving Back to New Zealand?

- If you eventually return to New Zealand, you'll need to find a KiwiSaver provider that accepts transfers from Australian super funds. The same rules for transferring funds between countries will apply.

Key takeaways: Making the most of the Trans-Tasman retirement scheme

The Trans-Tasman Retirement Savings Portability Scheme offers a great opportunity to streamline your retirement savings when moving between New Zealand and Australia. By ensuring your superannuation or KiwiSaver funds are transferred smoothly, you'll avoid the hassle of managing multiple accounts in different countries.

However, it's essential to understand the fine print: eligibility criteria, tax implications, and the details of how to access your savings. Always check with your superannuation fund or KiwiSaver provider about their participation in the scheme and consider consulting an advisor to help navigate the process.

Whether you're moving to New Zealand, Australia, or back again, in 2025 or in the years to come, knowing how to transfer your retirement savings can make the transition that much smoother – and set you up for a more secure financial future.

David Pring
Partner
Taxation

"By carefully managing the timing of a taxable presence, Australian companies can expand offshore while keeping income tax obligations in Australia – maximising franking credits and minimising tax complexity."

Avoiding tax complexity for companies expanding offshore

Many companies are looking offshore for new sales to foreign customers. The opportunity of being driven through the global recognition of Brand Australia for quality products in many industries.

When seeking global expansion, often the first step companies take is to establish a foreign subsidiary in each country. While this may be the long-term solution, it introduces a level of complexity in the early days when all efforts need to be focussed on generating sales.

The complexity arises as the foreign subsidiary is considered a taxable entity in its home country. The Australian company then must deal with not only the Australian Taxation Office but also the tax authorities in each country they establish a subsidiary. The risk arises of profits in one country and losses in another, the need for transfer pricing documentation, withholding taxes and loss of franking credits in Australia. Each of these issues can create tax leakage, less profits being available for distribution to shareholders and lower franking credits on dividends paid resulting in higher taxes at the shareholder level.

By careful planning, understanding how each country determines when a company needs to start paying tax in each foreign country and use of Australia's double tax treaties, Australian companies can sell to overseas customers and only pay income tax in Australia. Foreign taxes can be limited to customs, GST and employee tax compliance.

When Australian companies expand offshore, a path to consider as they move from simply selling products to foreign customers is to commence operations in the foreign country by having the Australian company establish a presence overseas without establishing a taxable presence for as long as possible.

In considering this approach, planning for VAT/GST and customs is also necessary. This planning should take place irrespective of the model adopted for income tax.

Let's break down the approach with each step explained in the context of taxation and international expansion:

1. Sale of products to foreign customers:

- **Initial Export:** An Australian company starts by exporting goods or services to cus-tomers in a foreign country. At this stage, the company may not yet have any physical presence in the foreign country (no employees or inventory).

- **Tax Consideration:** From an Australian tax perspective, the company will likely be subject to Australian taxation on profits earned from the sale, but not in the foreign jurisdiction except for local VAT/GST or other indirect taxes.

- **No Permanent Establishment (PE):** At this point, the company does not create a "permanent establishment" (PE) in the foreign country. Under most tax treaties, the company does not have a taxable presence in the foreign country, meaning it would not be subject to local income taxes.

2. Stock of foods in the they foreign country:

- **Establishing Inventory Abroad:** The company may decide to store inventory in the foreign country, typically by using a third-party warehouse or a logistics provider. This could be in response to demand in the market or for more efficient distribution.

- **Tax Consideration:** If the company starts holding inventory in the foreign country, this may trigger the creation of a PE in that country, as many tax treaties consider a warehouse as a form of taxable presence.

- **No Immediate Taxation:** However, if the goods are simply stored (and not directly sold by employees), this stage might still allow the company to avoid paying tax in the foreign country. The company will likely continue to be subject to taxation only in Australia.

3. Hiring employees offshore:

- **Establishing a Local Workforce:** As demand in the foreign market grows, the company might hire employees locally (sales staff, management, or distribution personnel).

- **Tax Consideration:** Hiring employees in the foreign country may mean that the company has crossed the threshold for having a taxable presence. However, in many countries it will depend on the activities that the employees are undertaking. Where the employees are not concluding sales or signing contracts and those activities continue to be performed in Australia, it is likely that no taxable presence will exist at this stage.

- **Permanent Establishment:** Depending on the activities of the employees, where no taxable presence exists, income tax continues to be paid in Australia and not in the foreign country.

- It is at this stage that the company needs to know precisely what the triggers are in each country as it could create a PE in the foreign country. The local tax authorities may require the company to file taxes based on the activities conducted by the employees.

4. **Determining when a taxable presence is established:**

- **Tax Treaties and Permanent Establishment:** The key question at this stage is whether a taxable presence has been established under the local tax laws and international tax treaties. Commonly, tax treaties define a PE based on the presence of a fixed place of business, personnel, or substantial business activities within the foreign country.

- **Tax Deferral:** Once a trigger applies in some cases, tax treaties allow companies to defer the creation of a taxable presence for some time (e.g., 12 months) or to limit what activities would trigger taxation.

This means a company could continue selling products or holding stock without becoming taxable in the foreign country, depending on how it structures its operations and the treaty in place.

5. **Maximising franking credits for fully franked dividends:**

- **Franking Credits:** When an Australian company pays dividends to its shareholders, it can pay these dividends "fully franked" (i.e., with a tax credit for the corporate taxes already paid in Australia). This allows shareholders to receive dividends without paying additional tax on those amounts, or with reduced tax depending on their tax status.

- **Minimising Double Taxation:** To maximise the benefit of franking credits, Australian companies often look for ways to ensure that income is taxed primarily in Australia. By managing their foreign operations and structuring them in such a way that taxes are deferred or avoided in the foreign jurisdiction, companies can continue to pay fully franked dividends without triggering additional foreign tax obligations.

In Summary:

Australian companies expanding offshore often start by exporting products to foreign customers and gradually move toward establishing a more formal presence (warehouses, employees, etc.). They can manage the timing of creating a taxable presence carefully, using tax treaties to defer or limit foreign taxation. Compliance is streamlined by avoiding a foreign taxable presence for as long as possible and avoiding the complexities of transfer pricing and dealing with multiple tax authorities.

By adopting this approach, the company pays income tax in Australia only which maximises franking credits to ensure that dividends paid to Australian shareholders are fully franked and avoiding double taxation.

This approach can simplify tax compliance obligations and allow companies to focus their efforts on growth while knowing the triggers that will require foreign tax compliance in the future.

Tony Doyle
Chief Operating Officer
PKF Sydney and Newcastle

"The Aussie BBQ isn't just about the excellent F&B and Aussie rock playlist – it's about strengthening relationships, sharing stories, and kicking off the year with the people we value in our network."

Prawn or oyster anyone? Another year of successful Aussie BBQ's

In February, PKF Sydney and Newcastle held the much - anticipated annual Aussie BBQ events, bringing together our valued network of referrers and staff for an evening of great food, exceptional company, and meaningful connections.

The Sydney event kicked things off at The Porter, in the heart of our Sydney office building at 1 O'Connell Street. Guests enjoyed classic Australian barbecue fare, refreshing drinks, and plenty of lively conversation. The atmosphere struck the perfect balance between relaxed and professional, giving guests the chance to catch up, exchange ideas, and strengthen relationships.

"This was my first Sydney Aussie BBQ, and I was absolutely blown away by the energy, hospitality, and camaraderie on the night. The event truly showcased the strength of the PKF network and the genuine connections that make this community so special," said Lana Weldon, COO of PKF Australia.

The following week, Newcastle took the celebration to new heights (literally) at the QT rooftop bar, overlooking Newcastle Harbour. With a stunning backdrop, top-notch hospitality, and a vibrant atmosphere, the evening was a resounding success. Guests enjoyed a relaxed setting to reconnect with familiar faces and forge new professional relationships.

Both events reinforced the importance of collaboration and community within the PKF network. They also served as a fantastic way to kick off the new calendar year, setting the stage for another year of shared success.

A big thank you to everyone who joined us – we look forward to keeping this tradition alive and seeing you all again next year!

Madina Radinovich
Partner
Business Advisory Services

"This partnership brings together PKF's advisory expertise with Sumday's cutting-edge carbon accounting technology – empowering businesses to track, measure, and report emissions with confidence."

Sumday and PKF Sydney announces partnership

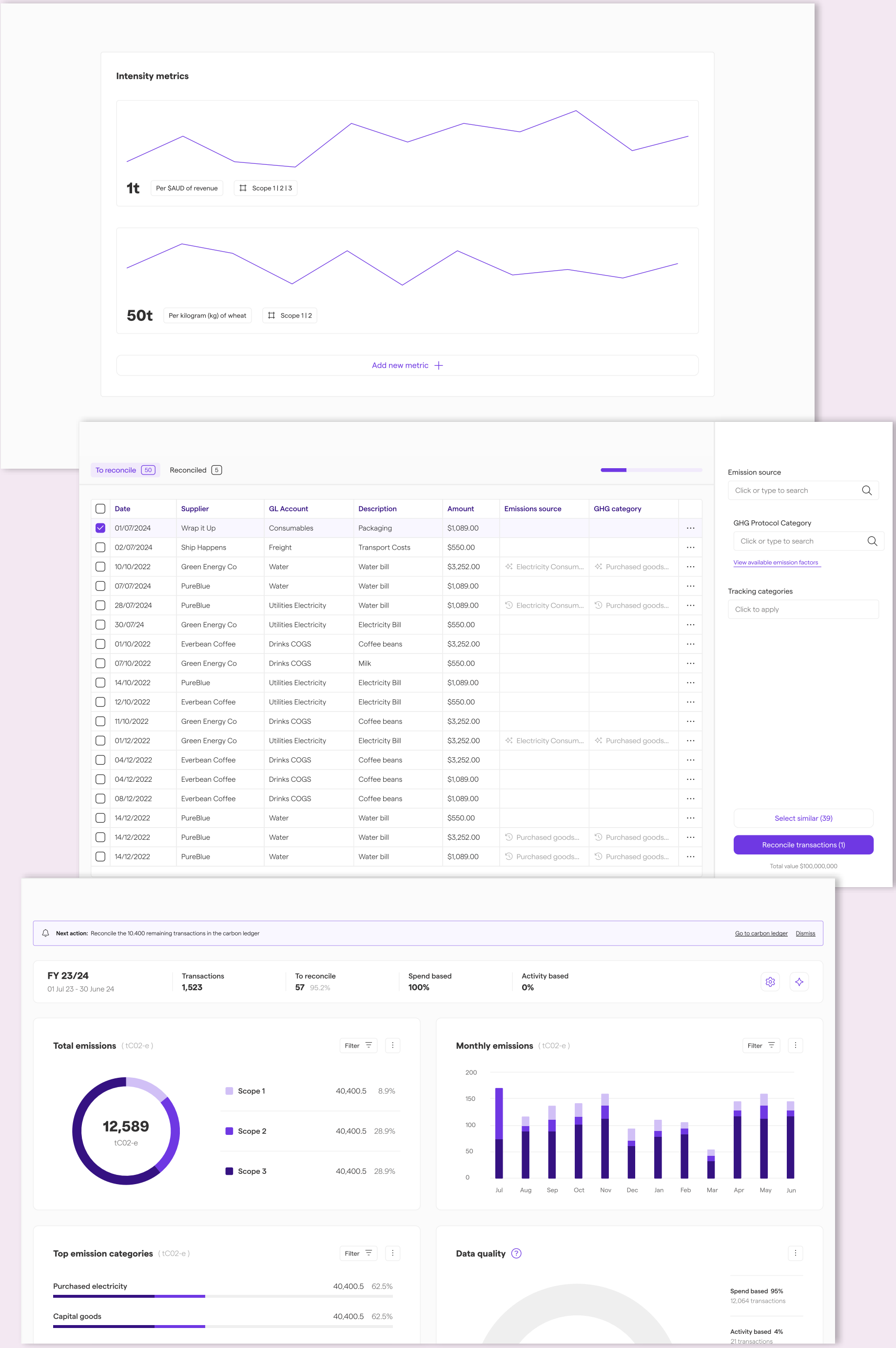
Sumday is excited to announce a new partnership with PKF, a top 10 accounting and advisory firm.

This collaboration will provide PKF's clients with seamless, technology-enabled carbon accounting solutions, helping them track, measure, and report emissions with accuracy and confidence.

With over 100 partners and 800 professionals across 16 offices nationwide, PKF is known for its expertise in financial reporting, compliance, and business strategy. As sustainability reporting becomes a business imperative, this partnership combines PKF's trusted advisory services with Sumday's advanced carbon accounting platform, making it easier for businesses to manage emissions alongside financial data.

Initially rolling out through PKF's Sydney office, Sumday, will support clients in building credible carbon baselines, aligning with global reporting frameworks, and engaging suppliers for primary emissions data. This ensures businesses are equipped with audit-ready, transparent reporting that meets evolving compliance requirements.

Together, Sumday and PKF are making carbon accounting more accessible, helping businesses navigate the complexities of emissions reporting with confidence.



Tax Diaries

April 2025

21 April

- Due date for lodgement and payment of March 2025 quarter IAS for head companies of consolidated groups.
- Due date for lodgement and payment of March 2025 monthly BAS.

28 April

- Due date for payment of super guarantee contributions for March 2025 quarter. Employee's who do not pay the minimum super contributions by this date must pay the super guarantee charge.

30 April

- Due date for lodgement of TFN report for closely held trusts if any beneficiary quoted their TFN to a trustee in March 2025 quarter.

May 2025

15 May

- Due date for lodgement of tax returns for all entities that did not have to lodge earlier (including all remaining consolidated groups) and are not eligible for the 5 June concession.

21 May

- Due date for lodgement and payment of April 2025 monthly BAS.
- Due date for lodgement and payment of FBT annual return, if lodging by paper.

26 May

- Due date for lodgement and payment of March 2025 quarter activity statements, if lodging electronically.

June 2025

1 June

- Due date for payment of final tax liability for the year ended 31 Dec 2024, relevant for taxpayers with a 31 December year end (typically foreign owned).

5 June

- Due date for lodgement of tax returns due for individuals and trusts with a lodgement due date of 15 May 2025 provided they also pay any liability due by this date.
- Due date for lodgment of tax return for companies and super funds with a lodgement due date of 15 May 2025 provided both the prior year and current year return will be non-taxable or result in a refund.

21 June

- Due date for lodgement and payment of May 2025 monthly BAS.

25 June

- Due date for lodgement and payment of the 2025 FBT return for tax agents if lodging electronically.

30 June

- Due date for payment of Super guarantee contributions to qualify for a tax deduction in the year ended 30 June 2025.

PKF Sydney and Newcastle Contacts

Clayton Hickey
Audit & Assurance
chickey@pkf.com.au
02 4962 2688

Brad Tonks
Business Recovery and Insolvency
btonks@pkf.com.au
02 8346 6000

Andrew Beattie
Corporate Finance
abeattie@pkf.com.au
02 4962 2688

Viv Mercer
Integrity and Risk
vmercer@pkf.com.au
02 8346 6000

David Zammit
Lending Solutions
dzammit@pkf.com.au
02 8346 6000

Emma Hansen
Marketing & Communications
ehansen@pkf.com.au
02 8346 6000

David Jamieson
Newcastle Business Advisory Services
djamieson@pkf.com.au
02 4962 2688

David Pring
Newcastle Taxation
dpring@pkf.com.au
02 4962 2688

Chris Davis
Newcastle Wealth Creation
cdavis@pkf.com.au
02 4962 2688

Don McLean
PKF Digital
don.mclean@pkfdigital.com.au
02 8346 6000

Daniel Clements
Superannuation
dclements@pkf.com.au
02 4962 2688

Nicholas Falzon
Sydney Business Advisory Services
nfalzon@pkf.com.au
02 8346 6000

Andrew Porvaznik
Sydney Taxation
aporvaznik@pkf.com.au
02 8346 6000

Luke Kelly
Sydney Wealth Creation
lkelly@pkf.com.au
02 8346 6000

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